Government of Saskatchewan

Financial Statement 2001-2002

Prairie West Regional College

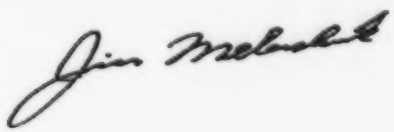
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Prairie West Regional College for the year ending June 30, 2002.

Respectfully submitted,



Jim Melenchuk
Minister of Learning

103-00624/

PRAIRIE WEST REGIONAL COLLEGE

Auditor's Report

Financial Statements - June 30, 2002

Gilchrist & Co.
CERTIFIED MANAGEMENT ACCOUNTANTS

P. O. Box 1718 416 Main Street
Rosetown, Saskatchewan S0L 2V0

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AUDITOR'S REPORT

To the Directors
Prairie West Regional College

We have audited the statement of financial position of Prairie West Regional College as at June 30, 2002 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rosetown, Saskatchewan
September 4, 2002

Gilchrist & Co.
Certified Management Accountant

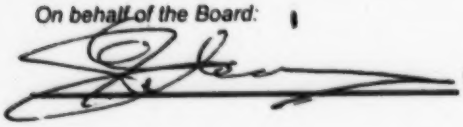
PRAIRIE WEST REGIONAL COLLEGE
Statement of Financial Position
as at June 30, 2002

Statement 1

	2002			2001
	Operating	Capital	Total	Total
Assets				
Current assets				
Cash	$ 908,898	$ 204,706	$1,113,604	$1,336,946
Accounts receivable (note 3)	158,007	-	158,007	119,170
Prepaid expenses	61,322	-	61,322	43,972
	1,128,227	204,706	1,332,933	1,500,088
Non-current assets				
Capital assets (note 4)	-	1,503,499	1,503,499	1,518,698
	$1,128,227	$1,708,205	$2,836,432	$3,018,786
Liabilities				
Current liabilities				
Accrued salaries and benefits	$ 99,145	$ -	$ 99,145	$ 89,267
Accounts payable and accrued liabilities (note 5)	77,781	-	77,781	332,430
Unearned revenue (note 6)	408,331	204,706	613,037	457,993
	585,257	204,706	789,963	879,690
Net Assets				
Invested in capital assets	-	1,503,499	1,503,499	1,518,698
Internally restricted as reserves (note 7)	95,000	-	95,000	205,000
Unrestricted	447,970	-	447,970	415,398
	542,970	1,503,499	2,046,469	2,139,096
	$1,128,227	$1,708,205	$2,836,432	$3,018,786

See accompanying notes to financial statements.

On behalf of the Board:



Chairman

PRAIRIE WEST REGIONAL COLLEGE
Statement of Operations
for the year ended June 30, 2002

Statement 2

	Operating			Capital			Totals		
	(Note 8) 2002 Budget	2002	2001	(Note 8) 2002 Budget	2002	2001	(Note 8) 2002 Budget	2002	2001
Revenues (Schedule 1)									
Saskatchewan Learning	$2,516,135	$2,436,883	$2,192,981	$ -	$ 25,673	$1,409,958	$2,516,135	$2,462,556	$3,602,939
Federal government	4,000	10,669	16,753	-	-	-	4,000	10,669	16,753
Other revenue	872,134	943,897	889,351	-	-	-	872,134	943,897	889,351
Total revenues	3,392,269	3,391,449	3,099,085	-	25,673	1,409,958	3,392,269	3,417,122	4,509,043
Expenses (Schedule 2)									
Contractual & professional serv.	979,508	898,247	759,661	-	-	-	979,508	898,247	759,661
Rentals	246,761	236,947	236,366	-	-	-	246,761	236,947	236,366
Repairs and maintenance	17,400	3,069	3,338	-	-	-	17,400	3,069	3,338
Amortization	-	-	-	153,358	156,007	150,934	153,358	156,007	150,934
Operating expenses (Sch 3)	535,639	430,958	414,150	-	-	-	535,639	430,958	414,150
Personal services	1,825,909	1,860,567	1,632,193	-	-	-	1,825,909	1,860,567	1,632,193
(Gain) loss on disposal of capital assets	-	-	-	-	(76,046)	52,339	-	(76,046)	52,339
Total expenses	3,605,217	3,429,788	3,045,708	153,358	79,961	203,273	3,758,575	3,509,749	3,248,981
Excess (deficiency) of revenue over expenses	$ (212,948)	$ (38,339)	$ 53,377	$ (153,358)	$ (54,288)	$1,206,685	$ (366,306)	$ (92,627)	$1,260,062

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Statement of Change in Net Assets
for the year ended June 30, 2002

Statement 3

	Capital	Operating			Totals	
	Invested in Capital Assets	Externally Restricted	Internally Restricted	Unrestricted	2002	2001
Net assets, beginning of year	$1,518,698	$ -	$ 205,000	$ 415,398	$2,139,096	$ 879,034
Excess (deficiency) of revenue over expenses	(54,288)	-	-	(38,339)	(92,627)	1,260,062
Appropriated to reserves	-	-	(110,000)	110,000	-	-
Interfund transfers (note 12)	39,089	-	-	(39,089)	-	-
Net assets, end of year	$1,503,499	$ -	$ 95,000	$ 447,970	$2,046,469	$2,139,096

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 2002

Statement 4

	2002	2001
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	$ (92,627)	$ 1,260,062
Amortization of capital assets	156,007	52,339
(Gain) loss on sale of capital assets	(76,046)	150,934
	(12,666)	1,463,335
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(38,837)	23,480
Increase in prepaid expenses	(17,350)	(612)
Increase in accrued salaries and benefits	9,878	12,700
Increase (decrease) in accounts payable and accrued liabilities	(254,649)	198,236
Increase (decrease) in unearned revenue	155,044	(696,049)
Cash provided from (used in) operating activities	(158,580)	1,001,090
Cash flows from investing activities		
Purchase of capital assets	(140,808)	(120,272)
Construction of joint-use facility at Biggar	-	(861,514)
Development of Student Information System	-	(17,163)
Proceeds from disposal of capital assets	76,046	73,524
Cash used in investing activities	(64,762)	(925,425)
Net increase (decrease) in cash	(223,342)	75,665
Cash, beginning of the year	1,336,946	1,261,281
Cash, end of the year	$ 1,113,604	$ 1,336,946

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2002

1. Purpose and Authority

Prairie West Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Prairie West Regional College is exempt from the payment of income tax.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long-term debt. The capital fund also includes contributions, interest and donations designed for capital purposes by the contributor, net of the annual amortization expense. Also included in the capital fund are the appropriations for future capital expenditures.

b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution.

Capital assets are amortized on a straight-line basis over their estimated useful lives and amortization is reported as an expense in the capital fund as follows:

Buildings	20 years
Office furniture	10 years
Office equipment	5 years
Machinery	5 years
Computer equipment	3 years
Leasehold improvement	Term of the lease
System development	5 years

d) Cash and Cash Equivalents

Cash and cash equivalents are represented by cash on hand and balances with banks.

3. Accounts Receivable

Accounts receivable are composed of the following:

	2002	2001
Saskatchewan Learning	$ 33,488	$ 34,739
Province of Saskatchewan - other	5,705	650
Regional Colleges	-	19,099
S.I.A.S.T.	4,232	1,911
Federal government	18,074	15,877
Other	96,508	46,894
	$ 158,007	$ 119,170

4. Capital Assets

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$1,406,641	$ 140,664	$1,265,977	$1,336,309
Leasehold improvements	70,464	8,092	62,372	2,697
Furniture	116,987	35,278	81,709	86,134
Office equipment	36,976	27,078	9,898	15,406
Computer equipment	299,934	237,665	62,269	49,786
Student information system	35,457	14,183	21,274	28,366
	$1,966,459	$ 462,960	$1,503,499	$1,518,698

During the year, the College began construction of leasehold improvements at its Kindersley facility that are scheduled to be completed in September, 2002. Costs incurred to June 30, 2002 were $60,401.

5. Accounts Payable and Accrued Liabilities

Accounts payable are composed of the following:

	2002	2001
Saskatchewan Learning	$ -	$ 130,120
Province of Saskatchewan - other	2,479	13,194
Regional Colleges	39,835	31,064
S.I.A.S.T.	6,114	7,706
Federal government	168	35,599
Other	29,185	114,747
	$ 77,781	$ 332,430

6. Unearned Revenue

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2002	2001
Saskatchewan Learning	$ 601,476	$ 455,437
Other	11,561	2,556
	$ 613,037	$ 457,993

7. Restrictions on Net Assets

The Board of Directors of Prairie West Regional College has placed internal restrictions on $95,000 of unrestricted net assets to be used for specified events (2001 - $205,000 for unspecified unforeseen events) as detailed on Schedule 4. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

8. Budget Amounts

The budget amounts on these financial statements were prepared by Regional College management and approved by the Board on May 23, 2001. The Minister approved the budget on February 12, 2002.

9. Related Party Transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

The College brokered the following course sessions during the year:

	2002	2001
S.I.A.S.T.	$ 378,583	$ 366,359

Payments to other related parties include:

	2002	2001
Saskatchewan Regional Colleges expenses	$ 75,908	$ -
Saskatchewan Municipal Employees' pension	62,080	53,149
SaskTel expenses	41,893	62,247
Biggar School Division expenses	27,544	-
SaskPower expenses	11,085	13,232
SaskEnergy expenses	13,680	12,154
	$ 232,190	$ 140,782

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to government agencies.

During the year, the College continued a contract with Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $86,000 (2001 - $86,000) during the year to deliver these programs.

10. Financial Instruments

The College's significant financial instruments consist of accounts receivable, accounts payable and accrued benefits.

a) The carrying amount of cash, accounts receivable, accounts payable and accrued benefits approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's accounts receivable are from the provincial and federal government, therefore, credit risk is minimal.

11. Employee Future Benefits

Employees of the College participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. No matching contribution is made by the College nor does it have a financial obligation to the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for 2002 was $62,080 (2001 - $53,149).

12. Interfund Transfers

In 2002, the Board transferred $39,089 (2001 - $60,594) from the Operating Fund to the Capital Fund to offset withdrawals for capital expenditures.

13. Comparative Information

Certain 2001 balances have been reclassified to conform with the current year's presentation.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2002

Schedule 1

	Administration	Programming				Support Services		Totals		
	General Revenue	Non-Credit	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	2002	(Note 8) 2002 Budget	2001
Saskatchewan Learning										
Admin recovery grant	$ 121,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 121,500	$ 124,000	$ 105,968
Base grant	1,004,257	-	-	-	67,032	160,203	-	1,231,492	1,188,259	1,051,662
Program payments	-	-	253,386	753,803	-	-	-	1,007,189	1,069,967	882,441
Regional Service Branch payments	-	-	-	-	-	-	-	-	116,409	139,486
Other	18,162	-	-	-	-	-	58,539	76,702	17,500	13,424
	1,143,919	-	253,386	753,803	67,032	160,203	58,539	2,436,883	2,516,135	2,192,981
Federal Government										
Admin recovery	-	-	-	-	-	-	-	-	-	-
Seat purchases	-	-	-	-	-	-	-	-	-	-
Projects	-	-	9,605	-	-	-	-	9,605	-	-
Other	-	1,064	-	-	-	-	-	1,064	4,000	16,753
	-	1,064	9,605	-	-	-	-	10,669	4,000	16,753
Other Revenue										
Admin recovery	-	-	-	-	-	-	-	-	-	-
Contracts	95,808	68,153	49,754	16,920	246	47,909	-	278,790	189,458	216,404
Interest	44,410	-	-	-	-	-	-	44,410	25,000	82,120
Rents	10,683	15	-	1,650	-	60	-	12,408	1,425	4,331
Resale items	251	39,500	600	27,349	3,674	-	-	71,374	93,603	66,164
Tuitions	-	199,838	-	309,291	-	-	-	509,129	553,648	498,780
Other	19,121	1,000	1,125	2,503	120	3,572	345	27,786	9,000	21,552
	170,273	308,506	51,479	357,713	4,040	51,541	345	943,897	872,134	889,351
Total revenue	1,314,192	309,570	314,470	1,111,516	71,072	211,744	58,884	3,391,449	3,392,269	3,099,085
Total expenses	1,865,955	213,766	214,210	835,165	29,115	218,406	53,171	3,429,788	3,605,217	3,045,708
Excess (deficiency) of revenue over expenses	$ (551,763)	$ 95,804	$ 100,260	$ 276,351	$ 41,957	$ (6,662)	$ 5,713	$ (38,339)	$ (212,948)	$ 53,377

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2002

Schedule 2

	General Administration			Programing				Support Services		Totals		
	Board	Administrative	Organizational	Non Credit	Adult Basic Education	Vocational Technical	University Credit	Career Service	Student Services	2002	(Note 8) Budget	2001
Contractual and professional services	$ -	$ 54,705	$ 20,246	$ 143,919	$ 32,814	$ 621,395	$ 23,315	$ 1,253	$ 600	$ 898,247	$ 979,508	$ 759,661
Rentals	-	21,837	107,111	19,225	20,748	65,116	1,215	1,510	185	236,947	246,761	236,366
Repairs and maintenance	-	296	1,880	-	-	893	-	-	-	3,069	17,400	3,338
Operating (Schedule 3)	8,357	131,083	109,892	50,424	20,113	68,991	4,584	7,998	29,516	430,958	535,639	414,150
Personal services	23,905	522,727	863,916	198	140,535	78,770	1	207,645	22,870	1,860,567	1,825,909	1,632,193
	$ 32,262	$ 730,648	$ 1,103,045	$ 213,766	$ 214,210	$ 835,165	$ 29,115	$ 218,406	$ 53,171	$ 3,429,788	$ 3,605,217	$ 3,045,708
Totals by function			$ 1,865,955				$ 1,292,256		$ 271,577			

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Expenses
for the year ended June 30, 2002

Schedule 3

	Totals		
	2002	(Note 8) 2002 Budget	2001
Operating expenses			
Advertising	$ 23,865	$ 48,320	$ 28,254
Association fees and dues	6,765	7,635	7,050
Bad debts	5,442	200	2,052
Financial services	1,358	1,575	1,552
Computer software	9,909	17,250	12,280
Non-capital equipment purchases	29,017	24,095	17,664
In-service	23,472	25,680	16,174
Insurance	11,185	13,000	9,506
Materials and supplies	64,940	81,292	65,542
Postage, freight and courier	22,369	24,197	23,337
Printing and duplicating	25,937	32,423	22,350
Resale items	61,758	93,603	72,449
Subscriptions	859	3,880	1,368
Telephone and fax	44,502	64,543	48,574
Travel	46,173	44,590	46,287
Utilities	44,171	43,186	30,267
Other	9,236	10,170	9,444
	$ 430,958	$ 535,639	$ 414,150

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Restricted Net Assets Transactions
for the year ended June 30, 2002

Schedule 4

	Beginning Balance	Appropriations to Net Assets	Appropriations from Net Assets	Ending Balance
Internally restricted (note 7)				
Unforseen events	$ 205,000	$ 205,000	$ -	$ -
Staffing salaries and benefits	-	-	95,000	95,000
	$ 205,000	$ 205,000	$ 95,000	$ 95,000

See accompanying notes to financial statements.

Prairie West Regional College
Personal Services Listing
for the year ended June 30, 2002
"Unaudited"

Listed are individuals (excluding unionized employees) who received $2,500 or more for salaries, wages, honorariums, and compensation for personal service. This listing will include: Gross salary + gross bonus + honorariums + compensation for personal service = Personal Service. (No travel reimbursements, transfers or other expenditures will be included).

Probert, Bruce	$ 92,106
Box, Jay	69,072
Bothner, Gordon	35,305
Martin, Erin	47,691
Busby, Cheryl	31,277
Unionized Employees	1,322,343
Total	**$ 1,597,794**

Prairie West Regional College
Supplier Payment Listing
for the year ended June 30, 2002
"Unaudited"

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

SIAST - Woodland Campus	$	160,081
SIAST - Palliser Campus		119,145
Prairie Driver Training Service		107,277
Receiver General		101,015
SIAST - Kelsey Campus		72,751
Municipal Employees' Pension Plan		62,080
Blue Cross		58,944
Northlands College		45,000
Eagle Lake Farms		44,271
Saskatchewan Property Management Corporation		44,237
SaskTel		41,893
Cypress Hills Regional College		40,361
Kin-Kerr Safety Service		37,080
Marion Press Ltd.		31,182
Grand & Toy		28,376
Biggar School Division		27,544
SIAST - Wascana Institute		26,606
Association of Saskatchewan Regional Colleges		26,000
Rosetown Civic Centre		25,800
MGJ Holdings		25,430
Southeast Regional College		24,537
Access 2000 Elevator& Lift		23,500
March Schaffel Architects Ltd.		23,092
University of Saskatchewan		22,535
Wayne Bright Computer Support		21,200
Advanced Ag. Industrial Limiited		20,896
Harry's Oilfied Maintenance		20,544
Total	**$**	**1,281,377**